



TOM TORLAKSON
State Superintendent
of Public Instruction

Nonclassroom–Based Instruction Request For Funding Determination Fiscal Year 2013–14

**California Department of Education
Charter Schools Division**

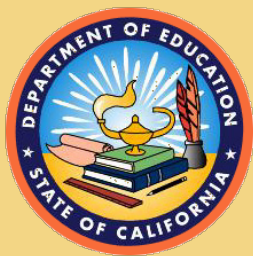
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Background

- Senate Bill (SB) 740 (Chapter 892, Statutes of 2001) became law in October 2001 to strengthen the fiscal oversight of nonclassroom-based (NCB) charter schools. The bill amended *Education Code (EC)* Section 47612.5 and added *EC* Section 47634.2
- SB 740 requires NCB charter schools to go through a funding determination process to establish funding levels
- NCB charter schools must obtain approval from the State Board of Education (SBE) of its funding determination to be able to fund its NCB generated Average Daily Attendance (ADA)
- Funding determinations for NCB charters are reviewed by the CDE and the Advisory Commission on Charter Schools (ACCS) and approved by the SBE



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Classroom or Nonclassroom-Based?

A charter school that offers an instructional setting that does not meet the definition of a classroom—based setting is classified as a NCB charter school

Pursuant to *EC* Section 47612.5 (e) (1) and 5 *CCR* Section 11963, classroom-based instruction occurs only when pupils are under the immediate supervision and control of a certificated teacher. The charter school must offer at least 80 percent of its instructional time at the school site (principally for classroom instruction) and attendance must be required at the school site for at least 80 percent of the minimum instructional time required to be offered.

Pursuant to *EC* Section 47612.5 (d)(1), NCB instruction includes, but is not limited to, independent study, home study, work study, and distance and computer-based education.



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Requesting a Funding Determination

1) File Funding Determination Form (FDF) with CDE

- File by December 1, 2013 for new charters
- File by February 1, 2014 for continuing charters*

*request must be prospective (not for the current year)

2) FDF is reviewed by CDE for accuracy and completeness

3) CDE will present its recommendation to ACCS

4) CDE and ACCS recommendations are presented to the SBE

5) SBE approves or denies request



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Funding Determinations*

Funding Determinations:

1) 100%

2) 85%

3) 70%

OR

4) Denial

Denial of a determination of funding request by the SBE shall result in no funding for NCB ADA

***5 CCR Section 11963.4**



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Full Funding Determination (100%) Criteria*

- 1) At least 40% of the charter school's total public revenues must be spent on Instructional Certificated Salaries and Benefits (S&B), AND
- 2) At least 80% of total revenues must be spent on Instruction and Related Services (IRS), AND
- 3) Ratio of ADA for Independent Study Pupils to Full Time Equivalent (FTE) Certificated Employees does not exceed
 - a) 25 to 1 or
 - b) Ratio of the largest unified school district in county(s)

*5 CCR Section 11963.4 (a) (3) and (e)



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Funding Determination Criteria*

Percent	Certificated S&B Source: FDF Section III. B.1.a. (i)	Instruction & Related Services Source: FDF, Section III. B.1.d. + B.2.f. (iv)	Pupil – FTE Teacher Ratio Source: FDF, Section IV. 1.a. or 1.b
100	= or > 40% AND	= or > 80% AND	25:1
85	= or > 40% AND	= or > 70%	N/A
70	= or > 35% AND	= or > 60%	N/A
Denial	< 35% OR	< 60%	
*5 CCR Section 11963.4			



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Funding Determination Form* (FDF)

- FDF is posted on CDE's web site:
www.cde.ca.gov/sp/cs/as/nclrbifunddet.asp

- Charter Information / Certification

- Conflict of Interest Policy

- Financial Information

For object and activity definitions, use the California School Accounting Manual located at: www.cde.ca.gov/fg/ac/sa

Revenues and other resources
Expenditures and other uses

- Supplemental Information

Signed Certification
Pupil-Teacher Ratio
List of Contract Entities
Board Member Identification
Explanation of Transfers
List of Reserves
Number of FTE certificated employees

***5 CCR Section 11963.3 (a) and (b)**



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Duration of Funding Determination*

Charter Type	Minimum	Maximum	Effective
New	2 Years	2 Years	Fiscal Years: 2013—14 and 2014—15
Existing	2 Years	5 Years [^]	Fiscal Years: 2014—15 up to 2018—19

* 5 CCR Section 11963.6

[^] EC Section 47612.5 (d)(2) requires a determination of five years for a charter school that has achieved a rank of six or greater on the Academic Performance Index (API) for the two years immediately prior to receiving a funding determination.



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New Charter Schools

Additional Reporting Requirements

Report	Fiscal Year	Due Date	Source
Unaudited Actual Report	2013—14	90 days after end of 1 st year of operation or 9/30/2014	2013—14 Unaudited Actual Data
Funding Determination Form (FDF)	2014—15	90 days after end of 1 st year of operation or 9/30/2014	2014—15 Budget Estimates [^]

*If actual expenditures or the FDF do not support funding determination approved for the second year, the ACCS must recommend that the SBE revise the funding determination.

* 5 CCR Section 11963.6 (a)

[^] EC Section 11963.3 (a) (6)



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“Reasonable Basis” / Mitigating Circumstances*

5 CCR Section 11963.4(e), allows the ACCS to find a “reasonable basis” (also referred to as mitigating circumstances) by which to make a recommendation other than one that results from the criteria specified in the regulations.

Mitigating Circumstances may include:

- One-time or Unique or Exceptional Circumstances
- Size of the charter school
- Number of years the charter school has been operational

*5 CCR Section 11963.4(e)



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Requesting Mitigating Circumstances*

- To claim mitigating circumstances, a charter school must file a Mitigating Circumstances Form (MCF) with the CDE. The MCF is due on the same due date as the respective FDF
- Request must clearly document the individual and specific circumstances
- Identify factors that are unique
- Explain why the charter did not comply with 5 *CCR* requirements for funding including information on the specific actions taken by the charter school to meet the regulatory requirements
- The CDE can ask for additional information to support mitigating circumstances
- The MCF must be filed with the CDE on a timely basis. Incomplete or late submissions will not be processed or forwarded to the ACCS/SBE for consideration

***5 CCR Section 11963.4(e)**



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Due Dates

Charter Type	Due	Form(s)	Media
New	12/1/2013	<ul style="list-style-type: none">• Funding Determination Request Form• Conflict of Interest Policy• If applicable, a Mitigating Circumstances Request Form	Both hardcopy and electronic
Continuing	02/01/2014	<ul style="list-style-type: none">• Funding Determination Request Form• Conflict of Interest Policy• If applicable, a Mitigating Circumstances Request Form	Both hardcopy and electronic



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Where to File?

- Email electronic files (FDF, Conflict of Interest Policy, and MCF, if needed) to the CDE at:

Charter-SB740@cde.ca.gov

- Mail signed hardcopies (FDF, Conflict of Interest Policy, and MCF, if needed) to:

California Department of Education
Charter Schools Division
1430 N Street, Suite 5401
Sacramento, CA 95814-5901
Attention: Nonclassroom-based Funding Determination



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Pertinent Laws and Regulations

- *Education Code sections 47612.5*
- *Education Code sections 47634.2*
- *Title 5, California Code of Regulations, Section 11963.1*
thru Section 11963.7

Questions